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Laventhol & Horwath
Certified Public Accountants

NATIONAL TREND OF BUSINESS

Lodging Industry

A SERVICE TO THE CLIENTS OF LAVENTHOL & HORWATH

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JANUARY 1985 COMPARED WITH JANUARY 1984

RATES MODERATE; OCCUPANCIES CONTINUE TO DECLINE

For the fourth consecutive month the national occupancy rate was below that reported for the same month of the preceeding year. The overall rate of 55.4 percent was 1.8 percent below the January 1984 level. Declines were evident in most regions of the nation with a sharp decline of 5.6 percent reported by properties located in the South Central area. The only area that experienced a positive change in occupancy was the West, with a modest increase of 1.5 percent. Generally, the substantial jumps in room rates that have occurred over the past several months have had a negative affect on occupancy rates. For example, suburban properties which experienced a 7.2 percent increase in room rates during January also suffered a 4.6 percent decrease in occupancy.

January was also a difficult month for food and beverage operations. While the number of covers served decreased, when compared with January 1984, food and beverage sales per occupied room and the average receipt per cover rose. The declining utilization of hotel food and beverage operations, therefore, can be traced to overall declines in occupancy and increases in menu prices.

In January 1985, some moderation in room rate increases were apparent. If this trend continues through the first half of the year, we expect to see slight increases in room night demand. However, if the industry revert's to the aggressive pricing policy instituted during the second half of 1984, occupancy gains may not be realized.

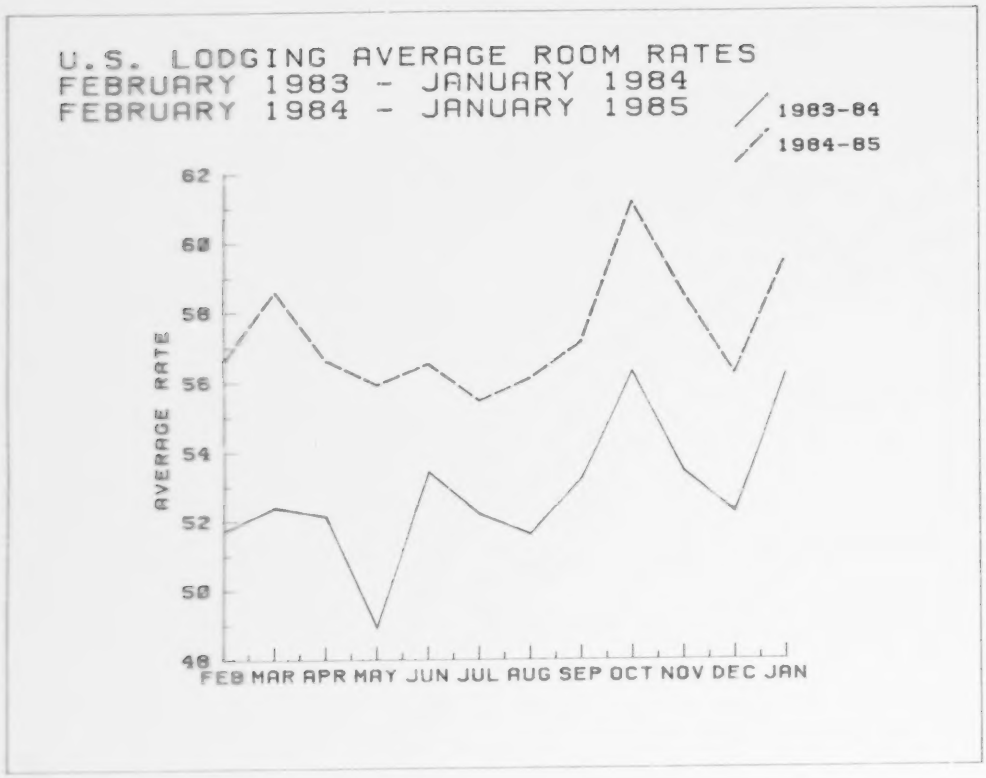
		Projections	Actual Last Year
March	1985	69-71%	69.6%
April	1985	66-68%	67.9%
May	1985	69-71%	69.2%

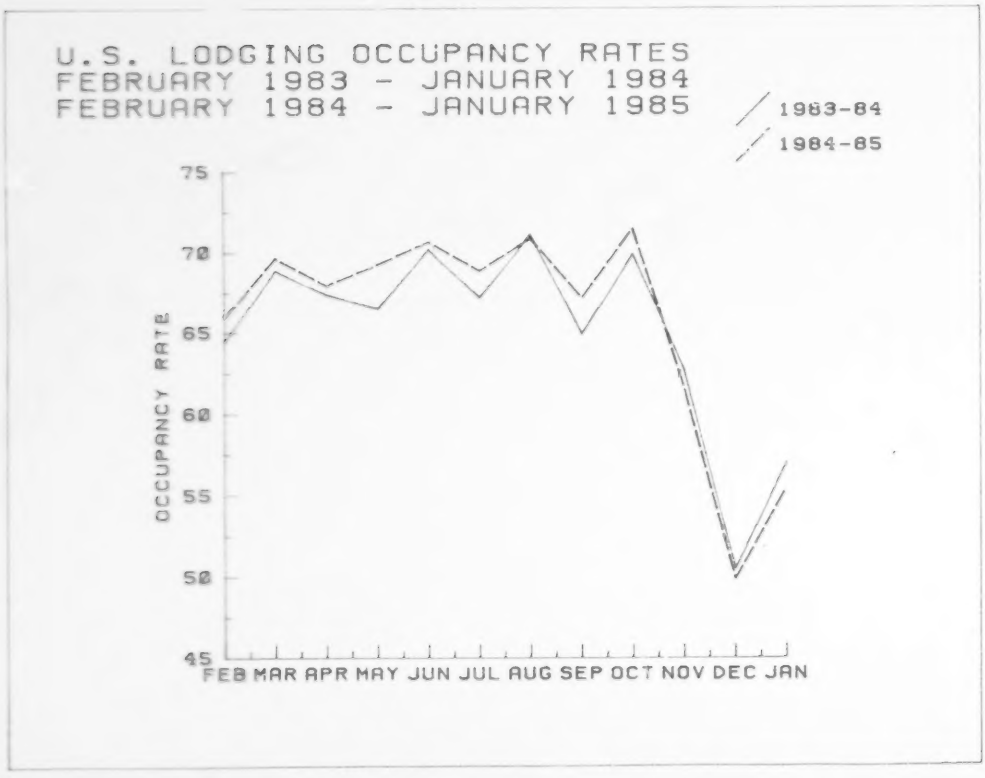
SEASONALLY ADJUSTED OCCUPANCY RATES FOR THE MAJOR CLASSIFICATIONS

	This Month	Percentage Changes*
TOTAL U.S.A.	64.1%	-4.1%
AFFILIATION:		
Chain	62.3	-8.4
Independent	61.5	-5.9
AREA:		
Northeast	70.3	-7.6
Southeast	62.4	-2.2
North Central	57.6	-17.0
South Central	56.0	-5.4
West	68.7	3.0
LOCATION:		
Center City	63.1	-6.7
Suburban	60.5	-8.9
Highway	65.1	2.7
Airport	66.8	-3.0
Resort	65.4	4.0
SIZE:		
Under 150 rooms	65.2	2.2
150 to 299 rooms	61.8	-5.6
300 to 600 rooms	62.4	-3.1
Over 600 rooms	66.8	-9.4
TYPE:		
Hotel	63.7	-4.6
Motor Hotel	63.1	-4.5
Economy	62.0	0.6

* FROM PREVIOUS MONTH

Mark Lomanno, Senior Research Associate
Jamie Mandell, Research Analyst
Research and Development


U.S. LODGING AVERAGE ROOM RATES
FEBRUARY 1983 - JANUARY 1984
FEBRUARY 1984 - JANUARY 1985
1983-84
1984-85
AVERAGE RATE
62
60
58
56
54
52
50
48
FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN


U.S. LODGING OCCUPANCY RATES
FEBRUARY 1983 - JANUARY 1984
FEBRUARY 1984 - JANUARY 1985
1983-84
1984-85
OCCUPANCY RATE
75
70
65
60
55
50
45
FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN

TREND REPORT JANUARY 1985 COMPARED WITH JANUARY 1984

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	JAN	% CHG	JAN	% CHG	JAN	% CHG	JAN	% CHG
TOTAL	2.6	4.0	-0.2	1.7	55.4	-1.8	42.6	1.4	$ 59.52	6.1	$ 92.40	4.6
REGION:												
Northeast	3.5	6.2	-2.1	4.3	57.0	-1.6	31.3	-7.9	$ 82.56	8.4	$126.92	5.7
Southeast	2.9	2.4	3.9	3.6	58.3	-1.5	66.1	2.3	62.74	4.1	100.98	4.6
North Central	2.2	6.3	-3.3	-10.1	48.9	-0.2	30.7	-1.9	42.94	6.7	65.99	2.5
South Central	-2.4	-1.7	-4.4	-0.4	52.1	-5.6	31.5	2.6	52.93	4.8	81.10	4.1
West	7.8	9.8	3.8	9.4	61.1	1.5	44.6	9.3	56.69	7.1	86.58	5.1
AFFILIATION:												
Chain	3.0	4.5	0.3	0.3	55.8	-1.9	40.4	4.1	$ 59.23	7.0	$ 91.01	5.4
Independent	1.1	2.1	-1.9	9.4	53.6	-0.7	51.2	-6.7	60.85	2.3	98.75	1.3
LOCATION:												
Center City	4.4	6.6	0.8	0.2	53.0	0.8	32.9	-3.5	$ 72.93	7.2	$115.25	4.9
Suburban	0.6	2.0	-1.6	-3.2	53.4	-4.6	36.6	14.7	50.88	7.2	78.04	5.8
Airport	6.1	10.2	2.2	14.8	63.7	0.3	25.0	1.2	54.00	7.5	78.27	5.4
Highway	0.7	0.5	1.2	1.0	55.6	-3.8	55.7	12.1	40.67	4.3	55.84	4.5
Resort	-1.3	-1.1	-2.7	5.1	56.6	-2.7	75.8	-4.5	72.97	2.0	126.77	1.8
SIZE:												
Under 150 Rooms	2.1	3.2	-1.1	1.0	54.6	-1.1	43.0	-7.1	$ 38.04	4.7	$ 50.90	3.7
150 - 299 Rooms	0.2	0.5	-1.2	4.9	54.5	-4.7	40.8	7.7	50.87	5.1	75.83	4.8
300 - 600 Rooms	2.7	5.3	-1.7	1.4	55.8	1.1	42.1	7.4	64.72	3.8	105.28	1.3
Over 600 Rooms	4.8	6.7	2.3	0.4	57.1	-1.0	44.7	-4.1	89.21	9.3	146.12	7.3
TYPE:												
Hotel	3.2	5.1	0.4	1.1	56.0	-0.2	38.5	-2.5	$ 71.67	6.1	$118.69	4.2
Motor Hotel	0.9	1.7	-2.4	5.4	55.1	-4.8	47.2	7.8	45.49	5.8	61.81	4.9
Economy	2.6	3.4	-12.9	-12.1	50.6	0.4	71.6	7.0	29.06	2.6	30.32	1.9
All Suites	1.0	0.6	-1.1	10.3	62.8	-4.4	41.7	11.8	60.64	5.6	75.33	5.9

FOOD AND BEVERAGE REPORT - JANUARY 1985 COMPARED WITH JANUARY 1984

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1985	1984	1985	1984	1985	1984	1985	1984	1985	1984	1985	1984	% CHG
TOTAL	$35.38	$34.95	$ 9.36	$ 9.06	0.34	0.36	0.21	0.22	51.0	50.0	$ 6.73	$ 6.38	-2.8
REGION:													
Northeast	$41.75	$41.83	$11.43	$10.98	0.33	0.34	0.20	0.20	61.1	58.9	$ 10.21	$ 9.82	-4.0
Southeast	35.50	34.00	9.72	9.34	0.35	0.36	0.21	0.22	43.6	43.6	5.85	5.50	-1.8
North Central	29.35	30.16	6.82	6.93	0.36	0.37	0.23	0.22	51.1	48.3	4.53	4.50	1.1
South Central	30.72	30.38	9.29	8.92	0.35	0.37	0.23	0.24	47.8	47.2	6.79	6.21	-9.7
West	38.84	38.75	9.18	8.82	0.34	0.35	0.21	0.22	51.1	49.9	6.22	5.73	0.9
AFFILIATION:													
Chain	$32.50	$31.77	$ 9.12	$ 8.83	0.34	0.35	0.21	0.21	50.2	49.8	$ 6.57	$ 6.27	-2.4
Independent	51.87	53.96	10.29	9.94	0.35	0.37	0.23	0.23	54.6	50.9	7.46	6.84	-4.4
LOCATION:													
Center City	$38.66	$38.36	$10.44	$10.11	0.33	0.35	0.20	0.21	55.1	54.9	$ 8.04	$ 7.75	-2.5
Suburban	29.19	28.30	8.32	8.10	0.36	0.38	0.24	0.23	48.8	47.9	5.81	5.51	-3.6
Airport	25.96	26.31	7.66	7.56	0.36	0.36	0.22	0.23	46.8	47.1	5.06	5.01	3.1
Highway	25.57	24.35	7.36	6.81	0.37	0.37	0.23	0.23	48.0	45.5	4.69	4.18	-2.3
Resort	53.02	52.67	10.81	10.39	0.34	0.35	0.21	0.21	47.3	44.5	6.87	6.02	-8.1
SIZE:													
Under 150 Rooms	$31.83	$32.16	$ 7.09	$ 6.94	0.38	0.40	0.25	0.24	47.3	46.5	$ 4.67	$ 4.55	-1.0
150 - 299 Rooms	26.64	25.89	7.59	7.42	0.37	0.37	0.24	0.23	49.7	46.8	5.40	5.00	-1.8
300 - 600 Rooms	36.80	38.27	9.80	9.73	0.34	0.36	0.21	0.22	52.8	52.2	7.08	6.95	0.1
Over 600 Rooms	46.19	43.98	11.77	10.91	0.32	0.33	0.19	0.20	51.1	50.9	8.60	7.85	-7.6
TYPE:													
Hotel	$41.48	$41.18	$10.04	$ 9.67	0.34	0.35	0.21	0.22	51.4	50.6	$ 7.20	$ 6.83	-3.2
Motor Hotel	21.52	21.38	6.96	6.93	0.37	0.37	0.22	0.22	49.3	46.9	5.06	4.79	-0.6
Economy	14.38	12.44	3.92	4.04	0.40	0.34	0.24	0.25	*	*	2.45	2.37	-21.2
All Suites	22.17	20.65	*	*	0.33	0.36	0.23	0.19	53.6	50.2	*	*	*

* INSUFFICIENT RESPONSE

TWELVE MONTH TREND REPORT - AS OF JANUARY 1985

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	JAN	% CHG	JAN	% CHG	JAN	% CHG	JAN	% CHG
TOTAL	8.0	9.2	5.1	9.5	65.8	0.9	52.0	-1.9	$ 56.54	7.1	$ 86.05	5.9
REGION:												
Northeast	10.1	11.6	6.3	13.0	71.6	1.6	40.7	2.0	$ 80.77	9.8	$122.48	8.3
Southeast	4.4	4.4	3.7	8.5	66.7	-2.3	82.2	-3.0	55.00	6.2	85.37	6.3
North Central	9.1	11.4	4.9	7.6	64.2	4.4	41.1	-1.9	44.26	6.2	68.98	4.0
South Central	7.2	8.6	4.4	6.2	60.3	0.8	40.4	4.7	50.44	5.5	75.21	4.3
West	9.5	10.8	6.3	12.4	69.8	2.0	50.0	-3.3	56.38	7.8	84.46	6.5
AFFILIATION:												
Chain	8.0	9.3	4.9	9.9	66.4	0.9	48.6	-1.2	56.43	7.3	85.05	6.1
Independent	7.6	8.4	6.1	7.2	62.9	1.5	68.1	-3.7	57.09	5.9	91.32	5.1
LOCATION:												
Center City	10.8	12.6	6.9	11.0	65.1	3.0	43.9	3.1	71.32	8.3	109.04	6.6
Suburban	5.9	7.4	2.7	6.7	64.4	0.9	41.3	-2.8	48.33	5.8	73.93	4.3
Airport	8.5	10.5	4.3	9.5	70.1	2.3	31.9	-2.1	51.42	6.8	77.29	4.9
Highway	3.9	4.4	2.2	5.0	66.2	-0.9	64.3	-2.7	39.40	4.5	52.60	4.0
Resort	6.2	6.0	5.8	10.0	64.9	-1.5	92.1	-3.5	66 02	6.4	112.19	6.6
SIZE:												
Under 150 Rooms	6.7	7.6	3.8	6.3	65.8	2.2	60.4	-2.9	$ 38.69	5.3	$ 51.64	4.4
150 - 299 Rooms	6.6	7.9	3.4	7.9	65.7	0.9	46.0	-1.9	49.26	6.1	74.30	4.8
300 - 600 Rooms	7.0	8.3	4.2	11.1	63.9	0.8	52.0	-3.3	63.29	6.3	102.37	5.1
Over 600 Rooms	11.0	12.3	8.5	10.0	68.7	0.4	54.3	0.4	80.79	9.8	125.03	8.6
TYPE:												
Hotel	8.9	10.5	5.8	10.5	65.9	2.3	47.8	-0.2	67.79	7.2	109.95	5.7
Motor Hotel	6.1	7.0	3.1	6.8	65.9	-0.6	56.3	-3.6	45.66	6.5	63.03	5.5
Economy	4.4	5.0	-2.9	-5.6	65.1	1.2	74.6	-1.6	30.52	3.6	32.69	3.1
All Suites	8.5	8.4	*	8.1	71.6	-	53.6	9.4	63.56	8.2	78.43	8.3

* INSUFFICIENT RESPONSE
\- NO CHANGE

TWELVE MONTH FOOD AND BEVERAGE REPORT - AS OF JANUARY 1985

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1985	1984	1985	1984	1985	1984	1985	1984	1985	1984	1985	1984	% CHG
TOTAL	$32.69	$31.70	$ 9.19	$ 8.73	0.33	0.34	0.22	0.22	45.5	44.8	$ 5.89	$ 5.57	0.2
REGION:													
Northeast	$40.39	$38.62	$11.59	$11.02	0.30	0.31	0.20	0.20	48.8	47.8	$ 8.24	$ 7.85	2.2
Southeast	29.94	28.19	8.91	8.50	0.34	0.34	0.22	0.22	43.1	41.9	5.60	5.16	-1.4
North Central	31.79	31.84	7.72	7.31	0.34	0.35	0.22	0.22	43.0	42.9	4.42	4.31	2.7
South Central	27.30	27.13	8.57	8.09	0.35	0.35	0.22	0.23	46.2	46.2	5.73	5.55	-2.3
West	36.31	35.19	9.43	8.82	0.34	0.34	0.22	0.22	45.8	44.5	5.64	5.13	0.1
AFFILIATION:													
Chain	$30.72	$29.83	$ 9.10	$ 8.65	0.33	0.33	0.21	0.21	45.7	45.0	$ 5.98	$ 5.66	0.2
Independent	45.11	43.62	9.55	9.04	0.35	0.35	0.23	0.24	44.7	44.1	5.47	5.16	0.2
LOCATION:													
Center City	$36.30	$35.45	$10.66	$10.07	0.31	0.32	0.20	0.21	48.8	48.6	$ 7.35	$ 7.04	0.5
Suburban	28.78	28.00	7.85	7.61	0.35	0.35	0.23	0.23	44.0	43.0	4.91	4.67	1.1
Airport	26.48	26.19	8.18	7.84	0.34	0.34	0.22	0.22	44.5	43.6	5.12	4.89	1.0
Highway	22.38	21.58	7.01	6.46	0.36	0.36	0.23	0.23	39.9	39.5	3.77	3.46	-4.0
Resort	46.67	43.60	9.77	9.34	0.34	0.35	0.22	0.22	41.2	39.5	5.43	4.95	0.5
SIZE:													
Under 150 Rooms	$29.55	$29.13	$ 7.07	$ 6.74	0.38	0.39	0.25	0.25	40.0	39.8	$ 3.89	$ 3.68	-0.4
150 - 299 Rooms	26.11	25.64	7.87	7.47	0.35	0.35	0.23	0.23	43.2	42.4	4.80	4.51	-0.9
300 - 600 Rooms	36.55	35.73	9.54	9.20	0.34	0.34	0.22	0.22	47.3	46.1	6.29	5.97	1.0
Over 600 Rooms	39.74	37.55	11.62	10.91	0.30	0.31	0.19	0.19	47.2	46.9	7.82	7.44	1.2
TYPE:													
Hotel	$38.75	$37.80	$ 9.91	$ 9.42	0.33	0.33	0.21	0.22	46.5	45.9	$ 6.47	$ 6.13	0.5
Motor Hotel	22.18	21.52	7.28	6.96	0.36	0.36	0.22	0.22	41.8	41.0	4.38	4.13	-0.2
Economy	7.14	7.06	3.38	3.30	0.35	0.33	*	*	*	*	1.61	1.47	-14.3
All Suites	*	*	*	*	*	*	*	*	*	*	*	*	*

* INSUFFICIENT RESPONSE